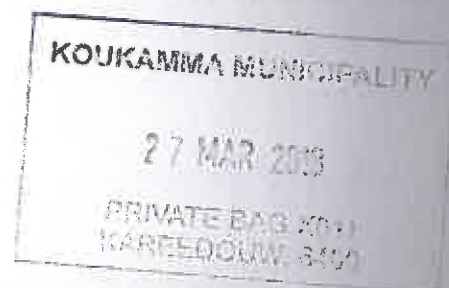




# DRAFT BUDGET 2018-2021



**Kou-kamma  
Municipality (EC109)**



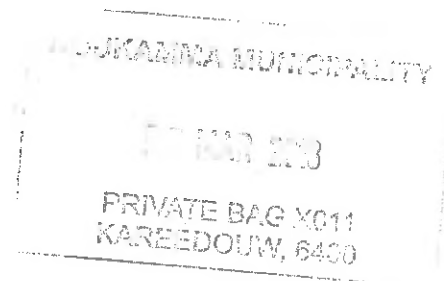
Copies of this document can be viewed:

- All satellite offices and public libraries with the municipality
- At [www.koukammamunicipality.gov.za](http://www.koukammamunicipality.gov.za)

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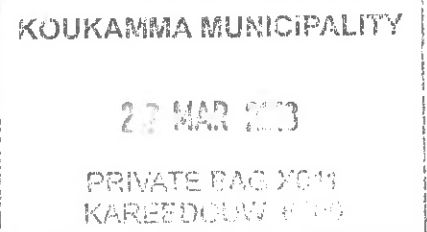
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## Part 1- Annual Budget

### 1.1 Mayor's Report

*Mayors report to be inserted after the meeting*

THE MAYOR/SPEAKER  
COUNCILLOR S VUSO

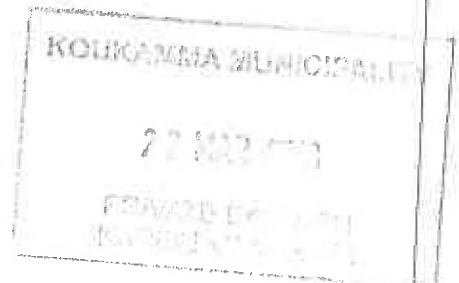


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## 1.2 Council Resolutions

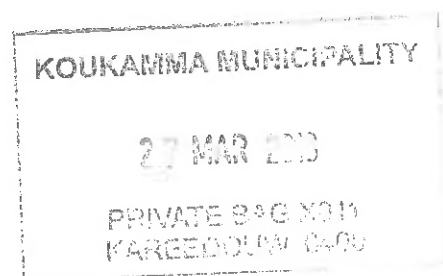
On the 27<sup>th</sup> May 2018 the Council of Kou-kamma Local Municipality will meet in Kareedouw, to consider the approval of the Draft Annual budget of the municipality for the financial year 2018/19 MTREF. It is recommended that Council approves and adopts the following resolutions:

1. The Council of Kou-kamma Local Municipality, acting in terms of Section 24 of the Municipal Finance Management Act (Act 56 of 2003) approves:
  - 1.1. The Draft Annual Budget of the municipality for the financial year 2018/19 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
    - 1.1.4. Multi-year and single-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/ accumulated surplus, asset management and basic service delivery targets are approved as set out in the following table:
    - 1.2.1. Budgeted Financial Position;
    - 1.2.2. Budgeted Cash Flows
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
    - 1.2.4. Asset management; and
    - 1.2.5. Basic service delivery measurement.
2. The Council of Kou-kamma Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act, (Act 32 of 2000) approves:
  - 2.1. The property rates tariffs- as set out in Annexure B,
  - 2.2. The tariffs for electricity- as set out in Annexure B
  - 2.3. The tariffs for Sanitation-as set out in Annexure B
  - 2.4. The tariffs for refuse- as set out in Annexure B and
  - 2.5. Any other municipal tariffs as set out in the Tariff book



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3. That Council approves the following budget related policies in terms of Section 24 (2)(c)(i)(ii)(iii)(v) of the Municipal Finance Management Act (Act 56 of 2003) as per Annexure C to the document:
- Supply chain management
  - Credit Control and Debt Collection
  - Indigent Support
  - Property Rates
  - Write off
  - Tariff
  - Virement
4. For Council to adopt the Draft Service Level Standards as required by the National Treasury in MFMA Circular 89 and 91, as per annexure D of the document



### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Section 21 of the Municipal Finance Management Act deals with Municipal Budgets and describes the entire budgeting process. The Mayor is tasked with the co-ordinating the processes for preparing the budget, reviewing the Integrated Development Plan (IDP) and budget related policies. The Accounting Officer, as per Section 68 of the MFMA, is required to assist the Mayor in developing and implementing the budgetary process.

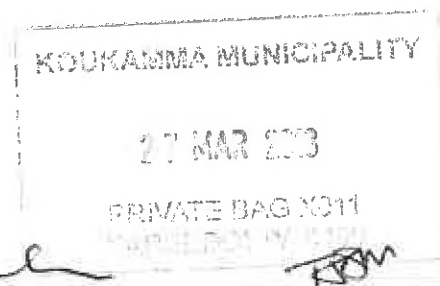
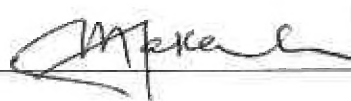
Great emphasis was placed in ensuring that the budget is realistically funded. A complete analysis of the various financial scenarios and outcomes was done and the best viable solution sought.

In addition to the budget, an amendment to the Municipal Systems Act (MSA) and Chapter 4 of the MFMA require that the Integrated Development Plan (IDP) be adopted at the same time of adopting the budget. The IDP informs the budget and their simultaneous adoption will ensure that the budget is properly aligned to the IDP and ensure that planned projects are credible and that the budgets are realistic and implementable. The budget was drafted in conjunction with the IDP.

Furthermore, the National Treasury has regulated a Municipal Standard Chart of Accounts, which was effective from 01 July 2017. This requires all municipalities and municipal entities to transact live on the new chart of accounts. It is therefore a requirement that the Draft budget be Mscoa complaint.

The annual budget was prepared in accordance to the National Treasury's content and format as contained in Circular 85 & 86. The two concepts considered were:

- 1) That the budget must be funded according to Section 18 of the MFMA(as mentioned above), and
- 2) That the budget must be credible.



A credible budget is described as one that:

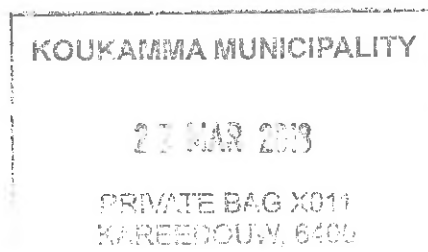
- Funds only activities consistent with the draft IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality.
- Is achievable in terms of agreed service delivery and performance targets.
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- Does not jeopardise the financial viability of the municipality(ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds are transferred from low-to high- priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have items'.

The Municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. The Municipality has also adopted a conservative approach when projecting its expected revenue and cash receipts.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy
- Aging and poorly maintained roads and electricity and water infrastructure.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality'
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents,
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Low collection rates
- Poor communities and
- Cash flow challenges



The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget adopted as upper limits for new baselines for the 2018/19 draft annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- Increase in VAT as promulgated by the National Treasury,
- There will be no budget allocated to National and Provincial funded projects unless the necessary grants to the municipality are reflected in the National and Provincial budget and have been gazetted as required by the annual Division of Revenue Act (DoRA) or MTBPS.

### Table 1 Consolidated Overview of the 2018/19 MTREF

| DESCRIPTION                                     | 2017/18                | 2018/19                | Budget year +1         | Budget year +2         |
|---|------------------------|------------------------|------------------------|------------------------|
|   | ADJUSTMENTS<br>BUDGET  |                        | 2019/20                | 2020/21                |
| Operational Income (excl<br>allocatins in kind) | -121 702 152,00        | -120 137 253,87        | -132 729 853,58        | -137 750 465,53        |
| Operational Expenditure                         | 126 723 679,00         | 128 381 404,60         | 137 239 955,81         | 146 268 464,38         |
| Capital Expenditure                             | 18 532 600,00          | 16 553 840,00          | 21 626 980,00          | 19 056 622,90          |
| <b>(SURPLUS) / DEFICIT</b>                      | <b>R 23 554 127,00</b> | <b>R 24 797 990,73</b> | <b>R 26 137 082,23</b> | <b>R 27 574 621,75</b> |
| Depreciation                                    | 23 554 127,00          | 24 797 990,73          | 26 137 082,23          | 27 574 621,75          |
| <b>NET (SURPLUS) / DEFICIT</b>                  | <b>R -</b>             | <b>R -</b>             | <b>R -</b>             | <b>R -</b>             |

Total operating revenue has decreased by 1.0 per cent or R1 564 million for the 2018/19 financial year compared to the 2017/18 Adjustments Budget. This is mainly due to the decrease in transfers and subsidies. For the two outer years, operational revenue for rates and services will increase by 10.0 % and 4.0 % respectively.

Total operating expenditure for the 2018/19 financial year has decreased by R1 658 million or 1.0 per cent, when compared to the 2017/18 Adjustments Budget. This is mainly due to belt tightening measures being implemented by the municipality to ensure non-service related operational expenditure is kept to a minimum. For the two outer years, operational expenditure will increase by 7.0 per cent respectively.



### **1.3.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations (MBRR) states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the Act.

### **1.3.2 Overview of budget related- policies**

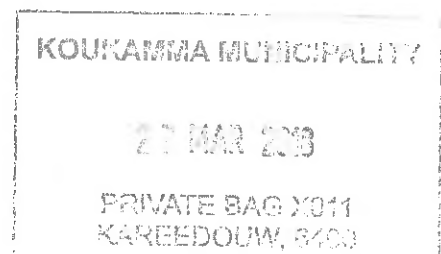
The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget policies will be tabled for consideration with the draft budget:

- Supply chain management
- Credit Control and Debt Collection
- Indigent Support
- Rates
- Write off
- Tariff
- Virement

### **1.3.3 Overview of budget assumptions**

#### **1.3.3.1 External factors**

Due to the slowdown of the economy, compounded by the geographical area of the municipality; financial resources are limited as a result of slow/no economic growth, this therefore reduces payment levels by consumers. The high levels of unemployment, resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.



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### **1.3.3.2 General Inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTERF:

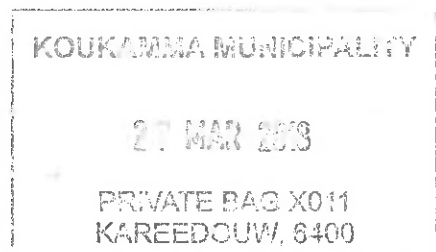
- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses.
- Increase in VAT
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

### **1.3.3.3 Collection rate for revenue services**

The current collection rate of the municipality is below 50%, this necessitates aggressive revenue enhancement strategies. Therefore base assumption is that tariff and rating increases will increase at the same rate as CPI.

As part of the revenue enhancement strategies that was implemented and approved by the municipal council to address the low collection rate.

The plan herewith as approved, a separate progress report to this will be tabled to the municipal council:



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**1 GOVERNMENT**

| Item | Activity  | Purpose                                     |
|------|---|---|
| 1,1  | Investigate government properties that should be exempted | Write off balances                          |
| 1,2  | Arrange meetings with relevant departments                | Engagement with departments to pay accounts |

**2 BUSSINESSES**

| Item | Activity  | Purpose   |
|------|---|---|
| 2,1  | Clearance certificates for all businesses in KKM area | Businesses trading with KKM is paying for services      |
| 2,2  | Identify businesses with outstanding water accounts   | Only water services can be cut                          |
|      | Inform businesses that services will be cut           | Notice need to be given of the municipality's intention |
|      | Issue notice of termination of services               | 14 working days notice                                  |
|      | Identify other business accounts outstanding          | This relates to other debt outstanding excluding water  |
| 2,3  | Implement R1 for R1 incentive                         | Implement incentive rebate Jan - May 2018               |
|      | Handing over accounts for collection of debt          | Preparation of hand over files for Legal action         |
|      | Finalise journals writing off debt                    | Correction of accounts                                  |
|      | Reporting results from incentive implemented          | Monthly reporting on results of incentive drive         |

**3 SCHOOLS**

| Item | Activity   | Purpose   |
|------|--|---|
| 3,1  | Identify schools with outstanding water accounts | Only water services can be cut                          |
|      | Inform schools that services will be cut         | Notice need to be given of the municipality's intention |
|      | Issue notice of termination of services          | 14 working days notice                                  |
|      | Identify other school accounts outstanding       | This relates to other debt outstanding excluding water  |
|      | Handing over accounts for collection of debt     | Preparation of hand over files for Legal action         |
| 3,2  | Implement R1 for R1 incentive                    | Implement incentive rebate Jan - May 2018               |
|      | Handing over accounts for collection of debt     | Preparation of hand over files for Legal action         |
|      | Finalise journals writing off debt               | Correction of accounts                                  |
|      | Reporting results from incentive implemented     | Monthly reporting on results of incentive drive         |

**4 CHURCHES**

| Item | Activity   | Purpose   |
|------|--|---|
| 4,1  | Identify church properties with outstanding water accounts | Churches is exempt from paying rates                    |
|      | Inform churches that services will be cut                  | Notice need to be given of the municipality's intention |
|      | Issue notice of termination of services                    | 14 working days notice                                  |
|      | Identify other church accounts outstanding                 | This relates to other debt outstanding excluding water  |
|      | Handing over accounts for collection of debt               | Preparation of hand over files for Legal action         |
| 4,2  | Implement R1 for R1 incentive                              | Implement incentive rebate Jan - May 2018               |
|      | Handing over accounts for collection of debt               | Preparation of hand over files for Legal action         |
|      | Finalise journals writing off debt                         | Correction of accounts                                  |
|      | Reporting results from incentive implemented               | Monthly reporting on results of incentive drive         |

**5 HOUSEHOLDS**

| Item | Activity   | Purpose   |
|------|--|---|
| 5,1  | Outreach program to all the settlements                | Monthly Debt Collection Steering Committee meetings |
| 5,2  | Identify households with outstanding water accounts    | Households debt > 80% off all debt outstanding      |
|      | Issue notice of restriction of water of services       | 14 working days notice                              |
|      | Implement water flow control in accordance with a plan | A water flow control instrument to be installed     |
| 5,3  | Implement R1 for R1 incentive                          | Implement incentive rebate Jan - May 2018           |
|      | Handing over accounts for collection of debt           | Preparation of hand over files for Legal action     |
|      | Finalise journals writing off debt                     | Correction of accounts                              |
|      | Reporting results from incentive implemented           | Monthly reporting on results of incentive drive     |

**6 INDIGENT HOUSEHOLDS**

| Item | Activity   | Purpose   |
|------|--|---|
| 6,1  | Indigent registration outreach                         | Indigent awareness program                      |
| 6,2  | Door to door registration campaign                     | To ensure that all indigent consumers register  |
| 6,2  | Identify households exceeding 6 kl water p/m           | Identify households that abuse water            |
|      | Awareness campaign addressing abuse of water           | To ensure that all indigent consumers register  |
|      | Issue notice of restriction of water of services       | 14 working days notice                          |
|      | Implement water flow control in accordance with a plan | A water flow control instrument to be installed |
| 6,4  | Indigent register for council approval                 | To ensure that all indigent consumers register  |
| 6,3  | Indigent reporting: Amounts written off                | Balances considered to be irrecoverable         |

KORANAKA MUNICIPALITY

2 MAY 2018

PRIVATE BAG 2011  
KAREEDOUW, 6400

7 TRAFFIC

| Item  | Activity   | Purpose  |
|-------|--|--|
| 7,1   | SYNTELL  |  |
| 7.1.1 | Keep record of summonses issues versus               | How many summonses has not been                                |
| 7.1.2 | Prepare court roll                                   | For warrants to be issued and served                           |
| 7.1.3 | Clearing summonses not valid                         | To make sure that summons register is up to date               |
| 7,2   | TMT  |  |
| 7.2.1 | Back office established                              | For operational traffic department                             |
| 7.2.2 | Operational monthly plan                             | Operational activities for the month                           |
| 7.2.3 | Report on fines issued                               | Recovering of outstanding money (1st notice,                   |
| 7.2.4 | E-Natis block  | Recovery of fines issued via E-Natis                           |
|       | Planning of legal processes with regards to TMT - eg | summonses and warrants issued will be included in the next rep |

8 FIRE SERVICES

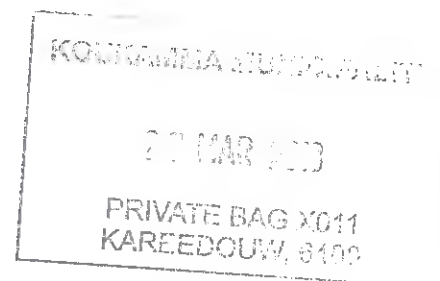
| Item | Activity                              | Purpose                                 |
|------|---------------------------------------|---|
| 8,1  | Design call out form and procedures   | Keep records of all fire calls received |
| 8,2  | Design incident report form           | To complete records of the incidents    |
| 8,3  | Provide BTO with billing informatrion | To enable BTO to invoice for services   |
| 8,4  | Billing for services rendered         | Invoicing consumer                      |

9 DLTC

| Item | Activity                       | Purpose                         |
|------|--------------------------------|---------------------------------|
| 9,1  | Action plan to enhance revenue | To maximize revenue generated   |
| 9,2  | Roadworthy action plan         | To maximlze utelisation of DLTC |

10 Water Meters Installation

| Item | Activity  | Purpose   |
|------|---|---|
| 10,1 | Procurement of the installation of smart water meters   | For the installation of smart water meters                  |
| 10,2 | Analyse Koukamma Municipality's process and systems     | To establish the status quo of KKM's water meter processes  |
| 10,3 | Prepare a process Plan and establishment a PSC          | Road map for the installation of water meters               |
| 10,4 | Implementation of the Process Plan (Multi year project) | Implementation of project in accordance with set milestones |



*Make* *BM*

#### 1.3.3.4 Salary increases

In accordance with the guidance in the MFMA circular 89 and 91, the Wage collective agreement has not yet been concluded. In the absence of the salaries has been budgeted for as follows:

- Employees: 5.3% - CPI, plus 2.4% notch increase
- Councillors: CPI – 5.3%
- Directors: CPI – 5.3%

It should be noted that in accordance with communication received from SALGA the municipality has also moved to a Grade 2 municipality, this change has been imbedded in the Draft budget.

*The salary cost is based on the current approved organogram and will be updated with the newly reviewed organogram during the final budget process; due to this all new vacancies to be filled will be based on the new organogram and budgeted for during the final budget.*

#### 1.3.3.5 Impact of national, provincial and local policies

In compilation of the budget for 2018/19, cognisance was taken of Provincial and National strategies.

#### 1.3.3.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 75.0 per cent is achieved on Operating expenditure and 85.0 per cent on the Capital Programme for the 2017/18 of which performance has been factored into the cash flow budget. This basis has thus been used as a benchmark for the 2018/19 draft annual budget.

#### 1.3.3.7 Cost containment

Due to cash flow constraints within the municipality, operational costs are kept at a minimum. The following cost containment measures have been implemented and the effects of these have been realised throughout the 2017/18 financial year:

- Officials do not make use of air transport and workshops, trainings and other events are not attended, unless special permission is granted by the Municipal Manager.

KOJANINA MUNICIPALITY

2018/19

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- All Travel and subsistence claims, must be accompanied by a pre-approval (trip authority) as well as a memo directed to the CFO as to why an official attended a specific event.
- A maximum of two officials per departments is allowed to attend meeting/trainings/workshops.
- Accommodation is limited to R1000 per person per night including meals.
- Telephone usage has set limits per employees and no colour printing is made use of.
- No catering is bought for internal meetings
- All meetings and strategic sessions are held at municipal owned venues
- Stationary are being signed for
- No bottled water/refreshments are bought for the MM or mayor's office
- Restrictions are placed on the purchases of laptops.
- Restriction on the use of consultants unless critical.
- Overtime is limited to 40hours and only approved if a pre-approved plan is presented.
- Overtime is limited to essential use staff

KOUKAMMA MUNICIPALITY

MR 273

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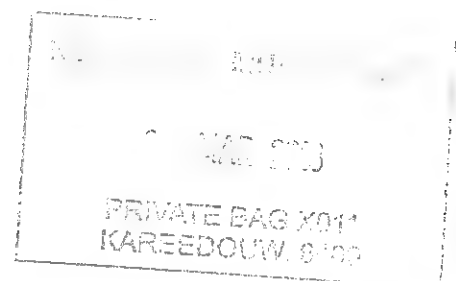
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## 1.4 Operating Revenue Framework

For Kou-kamma to continue improving the quality of services provided to its community it needs to generate the required revenue. The municipality is currently faced with a collection rate of <50%, in these tough economic times strong revenue management is fundamental. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/ calculating the revenue requirement of each service;
- The municipality's Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA) and amendment of 2014.
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff Policies of the Municipality.



**Table 2 Summary of revenue classified by main revenue source**

EC109 Kou-Kamma - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description  |   | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |          |
|--|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|----------|
| R thousand   |   | 1   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |          |
| Revenue By Source  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |          |
| Property rates   | 2 |     | 15 488          | 15 596          | 16 256          | 12 019               | 13 866          | 13 866             | -                 | 14 600  | 15 389                 | 16 235                 |          |
| Service charges - electricity revenue  | 2 |     | 2 132           | 2 205           | 2 033           | 1 453                | 385             | 385                | -                 | 437   | 461                    | 486                    |          |
| Service charges - water revenue  | 2 |     | 9 736           | 11 619          | 11 765          | 9 533                | 10 168          | 10 168             | -                 | 10 754  | 11 335                 | 11 958                 |          |
| Service charges - sanitation revenue   | 2 |     | 7 741           | 8 041           | 8 580           | 5 071                | 4 112           | 4 112              | -                 | 4 347   | 4 582                  | 4 834                  |          |
| Service charges - refuse revenue   | 2 |     | 3 560           | 3 905           | 4 082           | 2 980                | 2 963           | 2 963              | -                 | 3 120   | 3 288                  | 3 469                  |          |
| Service charges - other  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |          |
| Rental of facilities and equipment   |   |     | 333             | 408             | 380             | 382                  | 382             | 382                |                   | 402   | 424                    | 447                    |          |
| Interest earned - external investments   |   |     | 297             | 206             | 73              | 35                   | 149             | 149                |                   | 157   | 165                    | 174                    |          |
| Interest earned - outstanding debtors  |   |     | 5 554           | 7 156           | 9 188           | 9 461                | 11 019          | 11 019             |                   | 11 603  | 12 230                 | 12 902                 |          |
| Dividends received   |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |          |
| Fines, penalties and forfeits  |   |     | 672             | 1 580           | 5 123           | 3 000                | 3 000           | 3 000              |                   | 3 000   | 3 152                  | 3 336                  |          |
| Licences and permits   |   |     | 9               | 30              | 18              |                      |                 |                    |                   |   |                        |                        |          |
| Agency services  |   |     | 1 492           | 2 841           | 5 783           | 2 743                | 2 743           | 2 743              |                   | 2 889   | 3 045                  | 3 212                  |          |
| Transfers and subsidies  |   |     | 56 428          | 44 192          | 48 540          | 49 450               | 50 700          | 50 700             |                   | 53 808  | 56 982                 | 61 597                 |          |
| Other revenue  | 2 |     | 1 176           | 2 444           | 3 657           | 6 790                | 9 350           | 9 350              | -                 | 609   | 641                    | 677                    |          |
| Gains on disposal of PPE   |   |     | 23              | -               | 334             | 75                   | 75              | 75                 |                   |   |                        |                        |          |
| Total Revenue (excluding capital transfers and contributions)  |   |     |                 | 104 640         | 100 223         | 115 833              | 102 991         | 108 911            | 108 911           | -   | 105 726                | 111 704                | 119 328  |
| Surplus/(Deficit)  |   |     |                 | (22 671)        | (26 817)        | (46 600)             | (20 923)        | (17 812)           | (17 812)          | -   | (22 656)               | (25 536)               | (26 941) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  |   |     |                 | 24 856          | 22 201          | 15 951               | 17 812          | 17 812             | 17 812            |   | 14 412                 | 21 026                 | 18 423   |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (In-kind - all) |   |     | 6               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      | -        |
| Surplus/(Deficit) after capital transfers & contributions  |   |     |                 | 2 185           | (4 616)         | (30 649)             | 24 584          | 27 444             | 27 444            | -   | 4 550                  | (1 787)                | 8 300    |

As the municipality is largely grant dependant, most revenue is from the National government, comprising of 51.0 per cent. All income from these grants has been gazetted as part of the Division of revenue act. Secondly revenue generated from rates and services charges also forms a significant percentage of the revenue basket. In the 2018/19 financial year, revenue from services charges is estimated to total R18 654 million and property rates at R14 600 million.

The other item contributing to revenue is "other income" which consists of various items such as income received from permits and licences, building plan fees, connection fees, rental of facilities and other sundry income. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

KOUKAMMA MUNICIPALITY

PRIVATE BAG 1011  
MAREBOURNE, 6010

*[Signature]*



**Table 3 Operating and Capital Grants Receipts**

| <u>Grants</u>                  | <u>2018/19</u>         | <u>2019/20</u>         | <u>2020/21</u>         |
|--------------------------------|------------------------|------------------------|------------------------|
| <b><u>Capital</u></b>          |                        |                        |                        |
| <b>Direct</b>                  |                        |                        |                        |
| MIG                            | 15 170 000,00          | 15 396 000,00          | 16 024 000,00          |
| INEP                           | -                      | 6 400 000,00           | 3 200 000,00           |
| <b>Indirect</b>                |                        |                        |                        |
| RBIG                           | 10 000 000,00          | 1 000 000,00           | 15 000 000,00          |
| INEP                           | 2 794 000,00           | 1 723 000,00           | 1 818 000,00           |
| National Treasury (Audit fees) | 1 278 434,66           | 1 347 470,14           | 1 421 580,99           |
|                                | <b>29 242 434,66</b>   | <b>25 866 470,14</b>   | <b>37 463 580,99</b>   |
| <b><u>Operational</u></b>      |                        |                        |                        |
| Equitable share                | 45 406 000,00          | 48 983 000,00          | 53 004 000,00          |
| FMG                            | 1 970 000,00           | 2 435 000,00           | 2 867 000,00           |
| DSRAC                          | 932 000,00             | 932 000,00             | 932 000,00             |
| Enviromental health            | 963 000,00             | 1 015 002,00           | 1 070 827,11           |
| EPWP                           | 1 000 000,00           | -                      | -                      |
| Sarah Baartman                 | 1 500 000,00           | 1 500 000,00           | 1 500 000,00           |
|                                | <b>51 771 000,00</b>   | <b>54 865 002,00</b>   | <b>59 373 827,11</b>   |
| <b>Total</b>                   | <b>R 81 013 434,66</b> | <b>R 80 731 472,14</b> | <b>R 96 837 408,10</b> |

As indicated in the table above, is a breakdown of both capital and operational grants to be received in the 2018/19 MTREF.

#### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the ratio for the non-residential categories, Public Service Infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

In terms of the Municipal Property Rates Act, property valuations need to be assessed every four years for inclusion in the General Valuation Roll. The municipality has an updated valuation roll; and is in the process of completing the supplementary valuation roll.

KOOLOMBA MUNICIPALITY

2020-2021

PRIVATE BAG 201  
KOOLOMBA 2001

**Table 4 Comparison of proposed rates to be levied for the 2017/18 financial year**  
*Tariffs are attached as a separate appendix to the report.*

#### 1.4.2 Sale of Electricity and Impact of Tariff Increases

During the 2015/16 budget process, the decision was taken concluded that the step- tariff structure will need to be implemented; an application in this regard was made to NERSA. The decision was kept constant. Registered indigents will again be granted 50 kWh per 30 day period free of charge.

The following tables show the proposed changes to the current tariff structure:

**Table 4: Tariff structure (Electricity)**

| <u>IBT structure</u> | <u>Proposed Tariffs</u>           |                |                                 |
|----------------------|-----------------------------------|----------------|---------------------------------|
|                      | <u>2017/18</u>                    | <u>2018/19</u> |                                 |
|                      | <u>Prices per cent (Excl VAT)</u> |                |                                 |
| Block 1(0-50) kwh    | 0,86                              | 0,91           | 6.3% increase - Benchmark used  |
| Block 1(51-350) kwh  | 1,10                              | 1,18           | 6.8% increase - Benchmark used  |
| Block 1(351-600) kwh | 1,55                              | 1,72           | 6.84% increase                  |
| Block 1(>600) kwh    | 1,82                              | 1,95           | no increase benchmark is 194.85 |

With the above increases the aim is to both increase revenue and encourage consumers to use electricity wisely as our country's national grid is under severe pressure. No basic charge will be levied for electricity. These tariffs are in line with the guidelines as prescribed by NERSA, an application for approval has been submitted to the regulator.

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## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Balanced budget constrain (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the assets renewal and backlogs eradication.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

**Table 5 Summary of operating expenditure by standard classification item**

EC109 Kou-Kamma - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description                     | Ref  | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|                                 |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Expenditure By Type</b>      |      |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs          | 2    | 39 116          | 39 820          | 41 856          | 47 155               | 46 578          | 46 578             | -                 | 44 600  | 45 774                 | 48 292                 |
| Remuneration of councillors     |      | 2 901           | 3 000           | 3 123           | 3 215                | 3 594           | 3 594              |                   | 3 428   | 3 613                  | 3 812                  |
| Debt impairment                 | 3    | 19 638          | 19 741          | 19 605          | 10 345               | 10 345          | 10 345             |                   | 12 203  | 16 073                 | 18 488                 |
| Depreciation & asset impairment | 2    | 15 340          | 22 383          | 23 027          | 23 554               | 23 554          | 23 554             | -                 | 24 798  | 26 137                 | 27 575                 |
| Finance charges                 |      | 650             | 995             | 1 961           | 825                  | 1 075           | 1 075              |                   | 1 130   | 1 191                  | 1 257                  |
| Bulk purchases                  | 2    | 2 674           | 3 199           | 3 513           | 4 803                | 4 803           | 4 803              | -                 | 5 152   | 5 430                  | 5 729                  |
| Other materials                 | 8    |                 |                 |                 | 6 935                | 6 791           | 6 791              |                   | 4 842   | 5 104                  | 5 384                  |
| Contracted services             |      | 3 351           | 3 839           | 2 734           | 6 402                | 6 880           | 6 880              | -                 | 12 786  | 13 476                 | 14 217                 |
| Transfers and subsidies         |      | 25 094          | 15 846          | 16 702          | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other expenditure               | 4, 5 | 18 547          | 18 740          | 16 489          | 20 679               | 23 103          | 23 103             | -                 | 19 442  | 20 442                 | 21 515                 |
| Loss on disposal of PPE         |      |                 | 325             |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>        |      | <b>127 311</b>  | <b>127 890</b>  | <b>129 012</b>  | <b>123 914</b>       | <b>126 724</b>  | <b>126 724</b>     | <b>-</b>          | <b>128 381</b>                                      | <b>137 240</b>         | <b>146 268</b>         |

The budgeted allocation for employee related costs for the 2018/19 financial year totals R44 600 million, which equals 35.0 per cent of the total operating expenditure. Circular 70 guidelines have been implemented with regards to the percentage of employee costs to operational expenditure is between 30-40%, the municipality is thus within these limits. Furthermore as per Circular 91, the wage negotiations has not yet been agreed upon, therefore in the absence of this, a guideline increase of CPI was budgeted for. In addition to this a further 2.4% was accounted for the salary notch increases and the municipal taks grading adjustment was taken into account.

The cost associated with the Remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of

Public Office Bearers Act, 1998 (Act 20 of 1998). Amounts paid to councillors are in line with these gazetted amounts.

The provision of debt impairment was determined based on an annual collection rate of 65.0%. The revised collection rate is based on the revenue enhancement plan that was adopted by council.

While the expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. Provision for depreciation and asset impairment has been informed by the Municipality's Asset Values and prior year expenditures incurred.

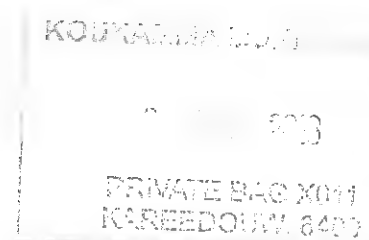
Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R24 798 million for the 2018/19 financial year and equate to 19.0 per cent of the total operational expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase of 7.32 per cent has been factored into the budget appropriations and directly informs the revenue provisions. The expenditures include distribution losses. In addition to this the municipality has made an application to Eskom to change tariff structures to cheaper tariffs.

Other materials comprise of amongst others the purchase of materials for maintenance. In line with the Municipality's repairs and maintenance the expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure.

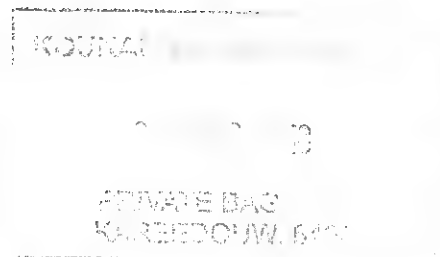
The following are the main expenditure categories for 2018/19 financial year:

- Employee related costs
- Remuneration of Councillors
- Debt impairment
- Depreciation and Asset Impairment
- Bulk Purchases



### 1.5.1 Free Basic Services: Basic Welfare Package

The welfare package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services that households are required to register in terms of the Municipality's Indigent Policy. An amount of R18 704 million has been allocated from the 2018/19 equitable share to provide relief to the indigent consumers. Taking cognizance of the plight of the poor and affordability of basic services, 6kl of free water and 50kwh of electricity per month, refuse, sanitation; grave site as well as rebates on rates is applicable.



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## 1.6 Capital Expenditure

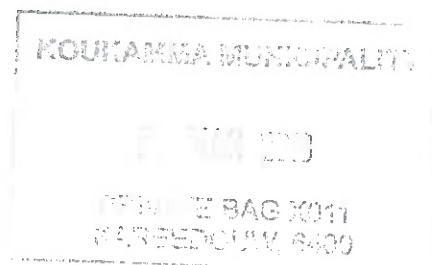
Capital expenditure for the next three years will be funded solely by Grants and other external fund sources. This is due to significant constraints of Council funds as highlighted in the sections above and the significant impact that the increase in the bulk electricity tariffs had on the cash flow of the municipality. The Capital Grants to be received are highlighted in the Executive Summary above.

**Table 6 Capital expenditure by standard classification**

EC109 Kou-Kamma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

| Vote Description                              | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| <b>Capital Expenditure - Functional</b>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <i>Governance and administration</i>          |     | 738             | 1 089           | 44              | 1 372                | 172             | 172                | -                 | 2 142   | 601                    | 634                    |
| Executive and council                         |     |                 | 50              |                 | 8                    | 8               | 8                  |                   |   |                        |                        |
| Finance and administration                    |     | 738             | 1 038           | 44              | 1 364                | 164             | 164                |                   | 2 142   | 601                    | 634                    |
| Internal audit                                |     |                 |                 |                 | -                    | -               | -                  |                   |   |                        |                        |
| <i>Community and public safety</i>            |     | 5 242           | 6 297           | 3 764           | 740                  | 775             | 775                | -                 | 6 602   | 4 182                  | -                      |
| Community and social services                 |     | 4 290           | 5 911           | 3 764           | 240                  | 273             | 273                |                   | 6 602   | 4 182                  |                        |
| Sport and recreation                          |     | 952             | 386             |                 | -                    | -               | -                  |                   |   |                        |                        |
| Public safety                                 |     |                 |                 |                 | 500                  | 500             | 500                |                   |   |                        |                        |
| Housing                                       |     |                 |                 |                 | -                    | -               | -                  |                   |   |                        |                        |
| Health  |     |                 |                 |                 | -                    | 3               | 3                  |                   |   |                        |                        |
| <i>Economic and environmental services</i>    |     | 12 001          | 262             | 2 033           | 5 349                | 3 624           | 3 624              | -                 | 7 810   | 465                    | -                      |
| Planning and development                      |     |                 |                 |                 | -                    | -               | -                  |                   |   |                        |                        |
| Road transport                                |     | 11 654          | 262             | 2 033           | 5 349                | 3 624           | 3 624              |                   | 7 810   | 465                    | -                      |
| Environmental protection                      |     | 347             |                 |                 | -                    | -               | -                  |                   |   |                        |                        |
| <i>Trading services</i>                       |     | 8 051           | 9 893           | 9 950           | 12 483               | 13 961          | 13 961             | -                 | -   | 16 379                 | 18 423                 |
| Energy sources                                |     | 61              | 1 891           | 616             | 3 000                | 3 000           | 3 000              |                   |   | 6 400                  | 3 200                  |
| Water management                              |     | 6 572           | 5 310           | 6 014           | 9 463                | 10 941          | 10 941             |                   |   | 9 979                  | 15 223                 |
| Waste water management                        |     | 1 418           | 2 692           | 3 320           | -                    | -               | -                  |                   |   |                        |                        |
| Waste management                              |     |                 |                 |                 | 20                   | 20              | 20                 |                   |   |                        |                        |
| <i>Other</i>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Capital Expenditure - Functional</b> | 3   | 26 032          | 17 541          | 15 791          | 19 944               | 18 533          | 18 533             | -                 | 16 554  | 21 627                 | 19 057                 |
| <b>Funded by:</b>                             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government                           |     | 23 985          | 16 926          | 13 740          | 19 161               | 17 812          | 17 812             |                   | 14 412  | 21 026                 | 18 423                 |
| Provincial Government                         |     | 1 374           | 386             | 2 033           | 240                  | 175             | 175                |                   |   |                        |                        |
| District Municipality                         |     | 214             |                 |                 | 500                  | 500             | 500                |                   |   |                        |                        |
| Other transfers and grants                    |     |                 |                 |                 | -                    | -               | -                  |                   |   |                        |                        |
| Transfers recognised - capital                | 4   | 25 573          | 17 312          | 15 772          | 19 901               | 18 487          | 18 487             | -                 | 14 412  | 21 026                 | 18 423                 |
| Public contributions & donations              | 5   | 347             |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                     | 6   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Internally generated funds                    |     | 113             | 230             | 19              | 43                   | 46              | 46                 |                   | 2 142   | 601                    | 634                    |
| <b>Total Capital Funding</b>                  | 7   | 26 032          | 17 541          | 15 791          | 19 944               | 18 533          | 18 533             | -                 | 16 554  | 21 627                 | 19 057                 |

Table A5 as per the MBBR excludes all indirect capital expenditures that will be incurred during the 2018/19 financial year.



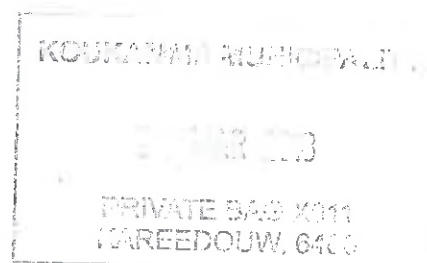
The table below highlights total service delivery project planned for the next financial year

**Table 7 Capital expenditure by project**

| Project                                       | Cost<br>2018/19        |
|---|------------------------|
| Stormsriver MPCC                              | R 6 601 550,00         |
| Upgrading of gravel roads in Stormsriver      | R 1 313 299,95         |
| Upgrading of gravel roads in Krakeel          | R 3 086 637,00         |
| Completion of Ravinia paving                  | R 3 410 013,05         |
| Upgrading of library to council chambers      | R 1 543 770,00         |
| Furniture and Equipment (IT & Administration) | R 598 570,00           |
|   | <b>R 16 553 840,00</b> |

In addition to the above the following in-kind transfers has been allocated to the municipality. Projects relating to these allocation still needs to be confirmed:

- RBIG : R10 000 000
- INEP: R2 794 000



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## Part 2: Supporting Documentation

**Table 12 MBRR Table A7- Budgeted Cash Flow Statement**

EC109 Kou-Kamma - Table A7 Budgeted Cash Flows

| Description                                       |   | Ref | 2014/15         | 2015/16         | 2016/17         | Current Year 2017/18 |                 |                    |                   | 2018/19 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand  |   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2018/19                                 | Budget Year +1 2019/20 | Budget Year +2 2020/21 |
| CASH FLOW FROM OPERATING ACTIVITIES               |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates                                    |   |     | 15 488          | 16 037          | 10 656          | 7 812                | 8 248           | 8 248              |                   | 9 490   | 10 003                 | 10 553                 |
| Service charges                                   |   |     | 23 169          | 9 970           | 6 235           | 12 374               | 12 374          | 12 374             |                   | 12 128  | 12 783                 | 13 486                 |
| Other revenue                                     |   |     | 3 704           | 5 724           | 9 848           | 15 325               | 15 325          | 15 325             |                   | 5 938   | 6 259                  | 6 603                  |
| Government - operating                            | 1 |     | 49 413          | 42 103          | 44 436          | 49 450               | 50 700          | 50 700             |                   | 52 576  | 55 750                 | 60 365                 |
| Government - capital                              | 1 |     | 31 871          | 21 450          | 17 947          | 17 812               | 17 812          | 17 812             |                   | 14 412  | 21 026                 | 18 423                 |
| Interest  |   |     | 5 851           | 206             | 73              | 6 184                | 6 184           | 6 184              |                   | 7 699   | 8 114                  | 8 561                  |
| Dividends   |   |     |                 |                 |                 |                      | -               |                    |                   | -   | -                      | -                      |
| Payments  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                           |   |     | (87 758)        | (62 276)        | (57 617)        | (86 190)             | (91 750)        | (91 750)           |                   | (90 251)  | (93 839)               | (98 949)               |
| Finance charges                                   |   |     | (650)           | (995)           | (194)           | (825)                | (1 075)         | (1 075)            |                   | (1 130)   | (1 191)                | (1 257)                |
| Transfers and Grants                              | 1 |     | (25 094)        | (15 846)        | (16 702)        |                      | -               | -                  |                   | -   | -                      | -                      |
| NET CASH FROM/(USED) OPERATING ACTIVITIES         |   |     | 15 995          | 16 371          | 14 681          | 18 943               | 17 819          | 17 819             | -                 | 10 862  | 18 905                 | 17 785                 |
| CASH FLOWS FROM INVESTING ACTIVITIES              |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                       |   |     | 794             | 106             |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) in non-current debtors        |   |     |                 |                 |                 |                      |                 |                    |                   | 4 834   | 2 722                  | 1 272                  |
| Decrease (increase) other non-current receivables |   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (increase) in non-current investments    |   |     | 1 121           |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Payments  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                    |   |     | (26 032)        | (17 541)        | (15 805)        | (19 944)             | (18 533)        | (18 533)           |                   | (16 554)  | (21 627)               | (19 057)               |
| NET CASH FROM/(USED) INVESTING ACTIVITIES         |   |     | (24 117)        | (17 435)        | (15 805)        | (19 944)             | (18 533)        | (18 533)           | -                 | (11 720)  | (18 905)               | (17 785)               |
| CASH FLOWS FROM FINANCING ACTIVITIES              |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                  |   |     |                 | 1 900           | 836             | 6 000                | 6 000           | 6 000              |                   | 6 000   | 6 000                  | 6 000                  |
| Borrowing long term/refinancing                   |   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits          |   |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Payments  |   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                            |   |     |                 |                 |                 | (6 000)              | (6 000)         | (6 000)            |                   | (6 000)   | (6 000)                | (6 000)                |
| NET CASH FROM/(USED) FINANCING ACTIVITIES         |   |     | -               | 1 900           | 836             | -                    | -               | -                  | -                 | -   | -                      | -                      |
| NET INCREASE/ (DECREASE) IN CASH HELD             |   |     | (8 122)         | 836             | (288)           | (1 001)              | (714)           | (714)              | -                 | (858)   | (0)                    | 0                      |
| Cash/cash equivalents at the year begin:          | 2 |     | 8 288           | 166             | 1 002           | 1 001                | 714             | 714                |                   | 858   | (0)                    | (0)                    |
| Cash/cash equivalents at the year end:            | 2 |     | 166             | 1 002           | 714             | (0)                  | 0               | 0                  | -                 | (0)   | (0)                    | -                      |

### Explanatory notes to Table A7- Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash inflow versus cash out-flow that is likely to result from the implementation of the budget.

KOUKAMMA MUNICIPALITY

2018/19

2018/19

2018/19

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## 2. Municipal Manager's quality certificate

I, **Pumelelo Kate**, Municipal Manager of Kou-kamma Local Municipality, hereby certify that the 2018/19 Draft Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Municipal Budget and Reporting Regulations, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: PUMELELO KATE

Signature –



Date: 27 MAY 2018

